Regulations for foreign companies

3279. SHRI AMAR SINGH:

SHRI ABU ASIM AZMI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what is the number of foreign companies functioning in our country at present;

(b) whether Government have set up any mechanism to identify the foreign companies that are not observing the rules framed by regulatory agencies and if so, the details thereof and what is the number of such companies identified by that agency; and

(c) what action government have taken against them?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) 1497 foreign companies have been registered under section 592 of the Companies Act, 1956.

(b) and (c) Yes, Sir. Foreign companies incorporated outside India and having a place of business in India are required to comply with some minimum filing requirements, such as intimating address in India, financial position, indebtedness etc., as per the provisions of the Companies Act. Notices have been issued to 53 Companies for failure to file their Annual Accounts in' accordance with the provisions of Section 594 of the Companies Act. Out of these, 43 companies have complied with the requriemerits of this Section and action is being taken against the remaining 10 companies.

Excess Refund of tax by CBDT

3280. SHRI MURLI DEORA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number of cases in which excess refund of tax or interest under Income Tax Act was made by CBDT during the last two financial years;

(b) the amount involved and the reasons therefor; and

(c) the steps taken to avoid recurrence of such errors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Sir, refunds of tax or interest under Income Tax Act are issued by the

Jurisdictional Assessing Officers working under field formations in the Income Tax Department, information regarding number and amount involved in excess refund of tax or interest are not maintained centrally at CBDT/Ministry.

(b) As stated above the amount involved is not centrally available but the reasons for excess refunds of tax or interest include mistake in computation such as incorrect calculation of tax and interest on refund, incorrect adoption of tax rates, incorrect deductions and relief, etc.

(c) Various administrative action including increased use of computers in issue of refunds, restructuring of internal audit systems and better supervision and control have been implemented. Legislative actions have also been taken such as power to hold back refunds removed with effect from 1.6.2001, rate of interest on refunds reduced to 8% p.a. with effect from 1.6.2002 and Suvidha Scheme for salaried employees for quick refunds implemented with effect from 26.4.2002.

Buy back of high cost debt bonds

3281. SHRI N.R. DASARI:
SHRI GAYA SINGH:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Government have decided to buy back its own various high cost debt bonds; and

(b) if so, the details thereof and the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government proposes to offer a buy back of high coupon relatively illiquid Government securities on voluntary basis. The participating banks will be allowed additional deduction for income tax purposes on premium received to the extent that such premium is used for provisioning for their non-performing assets.

Committee on functioning of Nidhi companies

3282. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state: